

VZCZCXR08855
PP RUEHDE
DE RUEHAD #2465 1651249
ZNY CCCCC ZZH
P 141249Z JUN 06
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 5686
INFO RUEHDM/AMEMBASSY DAMASCUS PRIORITY 0786
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

C O N F I D E N T I A L ABU DHABI 002465

SIPDIS

SIPDIS

DEPT FOR NEA/ARP, NEA/ELA
NSC FOR ABRAMS/DORAN/RAMCHAND
TREASURY FOR GLASER

E.O. 12958: DECL: 06/14/2016

TAGS: ECON ETRD EINV SY AE

SUBJECT: UAE - SYRIA ECONOMIC COMMISSION AND FORUM

REF: A. DAMASCUS 2781

¶B. ABU DHABI 2243

Classified By: Ambassador Michele J. Sison for reasons 1.4 (b & d).

¶11. (C) Summary: The UAE and Syria held a joint economic commission meeting on June 10 and the Second Syria-UAE Economic Forum from June 10-11, both in Damascus (ref a). On June 14, Minister of Economy Sheikha Lubna Al-Qasimi told Ambassador that the UAE held these joint economic commissions regularly with several of its Arab trading partners. In this case, the UAE tried to resolve issues of GOS border authorities blocking UAE exports/re-exports to Syria. Dubai-based publicly-traded Emaar properties used the private sector Economic Forum to launch its \$500 million real estate investment in Syria. End Summary.

¶12. (C) The UAE held a joint economic commission meeting with Syria on June 10 in Damascus. According to Minister of Economy Sheikha Lubna Al-Qasimi, the UAE holds these bilateral joint economic committees regularly with many of its Arab trading partners. She said that the Ministry of Foreign Affairs led the effort and that the Ministry of Economy had attended in order to try to resolve some market access issues. She added that the UAE presented the Syrians with a list of companies, whose products the Syrians were stopping at the border, in order to try and remove the barriers. According to MinEcon U/S Abdullah Al-Saleh, the UAE was successful in removing the barriers. The UAE press reported that a "grab bag" of issues, including movement of workers, trade barriers, and a Ministries of Interior MOU were on the agenda. According to an aide to Deputy Prime Minister Sheikh Hamdan bin Zayid Al-Nahyan, the May 29 visit of Syrian Vice President Faruq Al-Shara concerned Syria's desire to revive this economic commission, which had been dormant for the last three years (ref b).

¶13. (C) Damascus also hosted the 2nd Syria-UAE Economic Forum, which Sheikha Lubna noted was a private sector event, although it was attended by federal and emirate level officials. Al-Saleh told Econchief that the Forum was dominated by the Emirate of Dubai. Notably, Dubai's largest publicly-traded real estate company, Emaar, used the Forum to highlight its ground breaking of a \$500 million "Eighth Gate" joint venture real estate development near Damascus. According to Emaar's press release, the project will be divided into three zones -- Commercial Center, Waterfront, and Residential. The retail mall will be the largest in the Levant, and Emaar is planning over one million square feet of office space. Although Al-Saleh had previously noted to

Econchief that the Syrians had apparently taken a number of steps to encourage foreign investment, Sheikha Lubna was dismissive, saying that she didn't understand why Emaar was so interested in investing in the tourism/real estate market in Syria, before the Syrians had taken the steps to invest in the physical/political infrastructure to encourage tourism.

4 (C) Comment: Although the UAE's political leadership has shared concerns about Syria's interference in Lebanon and other issues with us, Sheikha Lubna made clear that, in her view, UAE's economic relationship with Syria fell under the umbrella of the Arab League's efforts to promote intra-Arab free trade. End Comment.

SISON